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NOMINATION—DEPARTMENT OF COMMERCE

HEARING

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

NOMINATION OF DONNA FRAME TUTTLE, TO BE UNDER SECRETARY OF COMMERCE FOR TRAVEL AND TOURISM

JANUARY 27, 1984

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NOMINATION—DEPARTMENT OF COMMERCE

FRIDAY, JANUARY 27, 1984

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, D.C.

The committee met, pursuant to notice, at 10:36 a.m., in room SR-253, Russell Senate Office Building, Hon. Larry Pressler presiding.

Staff members assigned to this hearing: Marguerite Ayers and Charles Faust, professional staff members; John D. Hardy, minority staff counsel.

OPENING STATEMENT BY SENATOR PRESSLER

Senator PRESSLER. We will call this meeting to order.

Senator Inouye has the flu this morning and he has sent a statement for the record. He is quite interested in this matter and we appreciate Senator Inouye's support. Senator Heflin has also sent a statement for the record.

First, I would like to say that we are here this morning to consider the nomination of Mrs. Donna Tuttle to serve as Under Secretary of Commerce for Travel and Tourism. The position of Under Secretary for Travel and Tourism was created by the National Tourism Policy Act of 1981, as was the U.S. Travel and Tourism Administration.

As a sponsor of that bill, I share the feeling of many that the travel and tourism industry which contributes so much to our country in terms of revenue, employment and improved trade balance needs a stronger voice within the Federal Government.

It was that feeling which resulted in the creation of the USTTA, the Commerce Department's Tourism Advisory Board, and the Interagency Tourism Policy Council. In the past 2 years since enactment of the National Tourism Policy Act, the U.S. Travel and Tourism Administration has established itself in the role of supporting and stimulating the industry.

Despite financial limitations, the USTTA staff has worked diligently to carry out their mission. The position of Under Secretary, however, has not stabilized as of yet. The agency has had two heads in 2 years, with no one permanently in the position for a good part of last year. I personally hope that Donna Tuttle will bring the stability to that position and work to strengthen the coordination of Federal activities relating to tourism.

In talking with Donna I have been very impressed by the eagerness and enthusiasm she brings to the job. She is committed to elevating the stature of the Travel and Tourism Administration and

she has already worked hard to establish good working relationships with members of the industry and with Congress.

I must add that Donna is fortunate in coming along at a time when the future of the Travel and Tourism Administration appears brighter than in recent years. The USTTA budget is about 50 percent larger this year than in 1983, and the agency will soon have the benefit of a comprehensive international marketing plan being prepared by an outstanding group of industry representatives.

Also, 1984 promises to be a big year for the U.S. travel and tourism industry. The New Orleans World's Fair and the Los Angeles Summer Olympics will attract many thousands of visitors to travel to other parts of the Nation as well. For instance, my home State of South Dakota has a great deal to offer, as I am fond of pointing out.

It is my pleasure to welcome you, Donna, on behalf of the committee. We also have with us my very distinguished colleague from the State of California, Senator Pete Wilson, who has joined us today to introduce the nominee.

Senator Wilson.

STATEMENT OF HON. PETE WILSON, U.S. SENATOR FROM CALIFORNIA

Senator WILSON. Thank you very much, Mr. Chairman. I am delighted to have the honor and privilege to make this introduction.

From the chairman's very eloquent introductory statement it is clear that the introduction is somewhat belated because you have already been introduced to the very considerable energy and talents of the nominee, but I would say, Mr. Chairman, that since I so heartily share your enthusiasm about the importance of the work of the Under Secretary and the importance of USTTA, I think that it is worth a moment simply to dwell on how vital the success of that program will be to all Americans, including a great many who unknowingly will be indirect beneficiaries of it.

Perhaps an interesting point of focus before I elaborate on the credentials of the nominee, Mrs. Tuttle, would be my own home State. As you take pride in South Dakota, I do in California.

We have been very much concerned about putting people to work out there in an industry that we think has been scarcely tapped. Although we have tapped it already, there is the potential for growth which you have indicated.

I am told, Mr. Chairman, that by the end of the century tourism and travel will very likely be the largest industry in the world, surpassing even oil in terms of the dollar volume it produces. But in California we have, as a result of the travel and tourism industry, a $27 billion industry. It employs nearly 600,000 Californians, or about 5 percent of our nonagricultural work force.

And in terms of revenues, it provides about $415 million a year to local governments and nearly $1 billion to the State's treasury. More than 90 percent of our travel-related firms—hotels, restaurants, associated recreational facilities—are small businesses. Many of them are family owned and operated. What that means, simply stated, Mr. Chairman, is that this very clean industry is one

that puts people to work who were likely to be unemployed—people of marginal skills in many cases.

When I was mayor of San Diego we recognized full well the potential which it had for employing a number of San Diegans who simply would not otherwise find work. As a city we spent about $1 million in the promotion of travel and tourism to our city. We opened offices seeking to bring conventions to San Diego. The return on that, I must tell you, was a hundred-fold.

We have received an incredible economic shot in the arm from the success of our tourism industry. What was initially seen as perhaps a large contribution on the part of a city in conjunction with the private sector in a promotional program that exceeded that of many other cities has brought us rewards, dividends, that are both measurable and many more that are incalculable.

But to my task, I have the high honor to bring before the Committee today Mrs. Tuttle, who is clearly well known to the Chairman. I will only say that the job needs—I think the Chairman has underscored this—someone who understands the importance of this post. It needs some permanance. It needs the kind of energy and talent which Donna Tuttle has very clearly displayed.

She is someone who, I think, has perhaps even greater enthusiasm than you and me, Mr. Chairman, having heard her speak about the industry. She is convinced that we are going to achieve even more rapid progress than a number of people who are tourism enthusiasts have thought possible.

She is a realist. I think that the kind of activity that she has demonstrated as a volunteer over the years makes clear that she has imagination. I am told, although I have not yet seen it, that she received a little publicity in yesterday's Washington Post in terms of a hobby. Her home was featured in the Home section. I can understand well why that would be true, having been there.

She is an interior decorator. She has been involved in real estate. She has been a teacher. She is, as they said in the renaissance, a woman of arts. I think it is notable that she has brought to each of those a high level of achievement and she represents to me a very considerable human resource for this terribly important industry which the Department of Commerce, under the legislation which the Chairman has mentioned, is responsible for developing further.

I cited some statistics with respect to my city, my State. Nationally travelers last year spent over $180 billion. I am told that is 6 percent of our gross national product. It is a growth industry, as we have indicated.

As Under Secretary of Commerce for Travel and Tourism Mrs. Tuttle will be an advocate for the Nation and for, in particular, the hospitable side of our country, which will see to it that we do something that we hopefully can do well to redress the imbalance of trade, which in your remarks, Mr. Chairman, you very correctly addressed.

It is employment and the balance of trade that makes this a critically important industry now. She, Mrs. Tuttle, has at a very tender age already, I think, achieved enough to satisfy most people in a lifetime.

She reminds me of the remarks of our 26th President, Theodore Roosevelt, who once said that the best person is someone who gets

into the ring and then "who, if he or she wins knows the triumph of high achievement, but who, if she fails, fails while daring greatly, so that her place will never be with those cold and timid souls who know neither victory nor defeat."

She has tried many things, to my knowledge, and has experienced little in the way of failure. I think she will be a great success in this very important job, and I think that your experience in talking with her about this job, Mr. Chairman, makes it unnecessary for me to say more other than the fact that we are very pleased and honored that she as a Caiifornian will fill this responsibility, and I would be happy if the committee now heard from her because I think she has much to say.

[The statement follows:]

STATEMENT OF HON. PETE WILSON, U.S. SENATOR FROM CALIFORNIA

Mr. Chairman. Distinguished members of the Committee.

It is an honor and privilege to introduce to you today and heartily recommend to you as Under Secretary of Commerce for Travel & Tourism, my long-time friend, Donna Tuttle.

Before I tell you a little more about Donna and her qualifications for this very important post, let me discuss for a moment the critical importance of her new endeavor not only to our country as a whole, but particularly to our home state, California.

Many of you share my philosophy that the best social program is a job—in private industry. The travel and tourism industry pours $27 billion into the California economy each year. It employs nearly 600,000 Californians, about 5 percent of our entire non-agricultural work force.

Travel business pumps $415 million a year into local government and nearly $1 billion annually into our state's treasury. More than 90% of travel related firms—like restaurants, etc.—are small businesses, many of them family owned and operated.

Perhaps most significantly, it is industry that employs many people who are unskilled or semiskilled. If they were not on a payroll, they might be on a welfare roll. We have worked hard for that tourism industry in the state. We're very happy with the growth of tourism and travel in our state. In fact, tourism today rivals agriculture as our state's leading industry.

But we also know we have to do more than just having glorious beaches and terrific weather to bring visitors, particularly from foreign shores, to our great state. And that's what we do, with top flight attention personnel and a few dollars to stimulate our fair share of the business.

The same must be true on a national level where, frankly, we haven't done enough. On a per capita basis, federal spending on tourism promotion ranks the U.S. as only 56th in the world. I am told, we are rapidly losing our share of tourism receipts over to other more aggressive competitors.

Nationally, travelers spent over $180 billion last year which constituted over 6 percent of our GNP. It is a growth industry. Travel, after oil, they tell me, is the second largest item in world trade, being over $500 billion or 5 percent of the world's gross national product. And, the more than $13 billion spent last year by foreign tourist in the U.S. played a significant role in helping to balance our otherwise very unbalanced balance of trade.

Donna Tuttle is such resource. As Under Secretary of Commerce for Travel and Tourism I expect her to be an advocate for America. She will see to it that we get that extra share of the market. She will open doors and aggressively pursue the kinds of efforts that I have described about our home state.

Donna Tuttle is superbly fitted for the job, She brings to it wide-ranging experience, from an educational, management, political, and business background. As you know, Mrs. Tuttle has been active in enough things at her tender age that would be enough for the average person's lifetime.

Teddy Roosevelt, our 26th president, once said the best person is someone who gets into the ring . . . "who, if he (or she) wins knows the triumph of high achievement, but who, if she fails, fails while daring greatly, so her place will never be with those cold and timid souls who know neither victory nor defeat."

A mere glimpse at Donna Tuttle's résumé shows she has been far from a cold and timid soul. She is active. She is involved. She cares. She will work hard. She will be that advocate for American travel and tourism that we need.

I strongly recommend her confirmation to you.

Thank you.

Senator PRESSLER. We thank you very much. Your recommendation is a very high one and we appreciate that very much. It is very well received.

I must say that the majority and minority have agreed to poll out this nomination, which indicates the good feelings about it. Let me also say that on the various references and the FBI check, I do not think we have ever had one as good.

Senators Inouye and Heflin's opening statements follow:

OPENING STATEMENT BY SENATOR INOUYE

I wish to express my regret to the committee that I am unable to welcome the nominee personally, and to express my support for her expeditious confirmation.

As one of the early supporters of our Federal effort to promote international tourism, I have become convinced that what is most essential in an Under Secretary for Tourism are dedication, enthusiasm, and a willingness and ability to make tourism's case effectively in the highest councils of Government.

I have had the opportunity to visit at length with Mrs. Tuttle since her nomination, and I was highly impressed by her commitment and eagerness to get on with the job. I am equally confident she will be a forceful and effective advocate for tourism within the Department of Commerce, OMB, and beyond when necessary.

Again, Mr. Chairman, I thank the committee for its indulgence and request unanimous consent that I be recorded in support of the nomination of Mrs. Donna Tuttle.

OPENING STATEMENT BY SENATOR HEFLIN

Mr. Chairman, I wholeheartedly endorse the nomination of Donna Frame Tuttle for the position of Under Secretary of Commerce for Travel and Tourism. Her background reveals that she possesses the leadership and management skills necessary to successfully promote the travel and tourism industry in this country. I believe she will bring experience, industry and integrity to this important position.

It is well known that the travel and tourism industry has a tremendous impact on the United States. It has become one of the fastest growing segments of the service industry in this country. In 1982 tourism contributed almost $200 billion to national income and supported almost seven million jobs.

In my home State of Alabama the travel industry has become extremely important to our economic growth. In 1982 travel and tourism in Alabama brought in $2.7 billion in revenues. Not only is travel and tourism an important source of jobs, tax revenues and growth in my State, it has become a significant part of the fabric of community life.

The U.S. Travel and Tourism Administration is a vital tool in the promotion of travel in the United States. While it places great emphasis on international travel to the United States, it also plays an important role in fostering domestic travel and tourism. The Travel and Tourism Administration deserves the strong support of Congress in its continuing efforts to encourage and promote travel to all sections of our country.

I believe Donna Tuttle understands the important role the Travel and Tourism Administration plays in the economic and cultural growth of the United States and will carry out her duties as Under Secretary with energy and enthusiasm. I urge the committee and the Senate to act expeditiously in conforming her nomination.

At this point we will hear the statement of Donna Tuttle.

STATEMENT OF DONNA FRAME TUTTLE

Ms. TUTTLE. Thank you. I would like to thank Senator Wilson very much for his kind introduction and, Mr. Chairman, for your kind remarks and the honorable committee members for their kind remarks.

Mr. Chairman, I am pleased to be here today. I would like to make a brief statement.

It is a great honor for me to be President Reagan's nominee for the position of Under Secretary of Commerce for Travel and Tourism. In a recent presidential statement President Reagan stated that tourism is, "a vital part of our national economy, creating jobs and much-needed revenues, and I am strongly committed to its fullest possible development."

I have also received a personal strong commitment from Secretary Baldrige, who has told me of his interest in USTTA. In his efforts to create a new Department of International Trade and Industry he has included USTTA as one of the five agencies in the proposed organization.

I firmly believe that the National Tourism Policy Act properly states the policy direction intended for Federal involvement in tourism and related recreational activities for the United States. This act, developed by the Congress, supported by the industry, and signed by the President, gives us the mandate for making international trade in tourism an important priority in this country. If confirmed, I will use the authority vested in me to implement the intent of this act.

Some of my priorities for Federal involvement in tourism are: Developing a comprehensive tourism marketing plan in close cooperation with the industry.

Providing marketing intelligence, tourism statistics and conducting specialized tourism research studies which are necessary and important to the overall policy in marketing of tourism.

Working with the regions, States and local communities to develop viable tourism programs to attract international visitors.

Utilizing the Travel and Tourism Advisory Board and the National Tourism Policy Council as significant tourism advisory and policy bodies will be important in determining new initiatives for this agency.

Bringing the barriers to international travel to the attention of the appropriate national and international organizations is vital to our efforts for free market access.

If confirmed, I will represent the President and the Secretary on tourism issues; work closely with the congressional committees responsible for tourism and with the Senate and House Tourism Caucuses; support the interests of the travel and tourism industry in the travel and recreation marketplace; coordinate tourism and recreation activities between regions, States, and local communities and the industry in our overseas markets; and ensure that the national tourism interest receives full consideration in the Federal decisionmaking process.

I will accomplish this goal in full cooperation and partnership with industry, labor, Congress and the administration.

That concludes my statement and I will be happy to try and answer any questions the Committee might have.

[The biographical sketch follows:]

BIOGRAPHICAL SKETCH OF DONNA FRAME TUTTLE

Address: 3218 Volta Pl. NW., Washington, D.C. 20007.
Date and place of birth: April 21, 1947, Los Angeles, California.

Marital status: Married, Robert Holmes Tuttle.

Names and ages of children: Tiffany Noel Tuttle, 6; and Alexandra Christina Tuttle, 4.

Education: University of Southern California, 1965–1969, Bachelor of Arts, 1969, and University of California at Los Angeles, 1969–1970, Secondary Teaching Credential, 1970.

Employment record: 1969–1970: Part-time salesperson, Lily Pulitzer Store, Beverly Hills, California, 1970–1975: Secondary teacher, Chairman of the History Department, Los Angeles Unified School District, Los Angeles, Samuel Gompers Junior High School; 1975–1976: Investor in the real estate market, Los Angeles, California; 1976–1979: Frame Interiors, owner and interior designer, Los Angeles, California, 1979–1980: 44th Assembly District Chairman for Reagan, National Youth Chairman for Reagan Campaign, State Speakers Bureau Chairman for Reagan/Bush Campaign, Los Angeles, California; 1980–1982: State Finance Director, Mike Curb for Governor, Los Angeles, California; and 7/82–11/82: State Finance Chairman, Carol Hallett for Lt. Governor, Los Angeles, California.

Government experience: Presidential Appointment to the Board of Trustees of the John F. Kennedy Center for the Performing Arts, 1982–1983.

Memberships: United Teachers of Los Angeles, teacher's union, 1971–1975. Pi Beta Phi Soroity, U.S.C. University, member 1965–1969, President 1968–1969, Junior League of Los Angeles, member 1971–1979, Editor of the Junior League Magazine, 1978–1979; Decorative Arts Council, Los Angeles County Art Museum, member 1979–1983, Natural History Museum of Los Angeles County, Board of Trustees and Vice Chairman of the Alliance Board 1980–1982; and the CORO Foundation, Board of Trustees, 1981–present.

Political affiliations and activities: 11/79–6/80: 44th Assembly District Chairman, Reagan for President, 4/80–7/80: National Chairman Youth for Reagan, Detroit convention, 8/80–11/80: Speakers Bureau Chairman for the State of California Reagan/Bush Campaign, 1/81–6/82: State Finance Director, Mike Curb for Governor Campaign, 3/82–11/82: David Armour for Congress, Executive committee, 3/82–11/82: Pete Wilson for Senate, Southern California Volunteer Chairman; 7/82–11/82: State Finance Chairman, Carol Hallett for Lt. Governor; 1/81–12/82: Member of the State Central Committee of the Republican Party; and 1/81: Member and volunteer of the Entertainment Committee for the Presidential Inaugural Ball and Youth Ball.

Honors and awards: Cum Laude, University of Southern California, B.A. 1969, Member of the Honorary History Society, U.S.C. Teacher of the Year, Samuel Gompers Junior High School, 1972.

Senator PRESSLER. Thank you.

I have several questions from both the majority and the minority and I will start with one on the visa waiver.

The visa waiver issue commonly appears on the Tourism Policy Council agenda. I worked to include the visa waiver legislation in the immigration reform bill because many of us believe that our current visa policy unduly restricts the flow of foreign visitors to our Nation.

Do you feel that a visa waiver is important, and do you intend to actively support visa waiver legislation?

Ms. TUTTLE. Indeed it is one of my top priorities for USTTA, and we are strongly supporting the visa waiver legislation. It will again come up in our National Tourism Policy Council. I have studied available information on it and have determined that if indeed it is passed, it probably would facilitate the admission of an additional 500,000 international visitors into the United States.

A study was done in Hawaii to show that probably they would have a 16-percent increase in their international visitors from Japan alone, so we are very strongly behind that.

Senator PRESSLER. Do you feel there is a problem with drugs coming into the country or illegal aliens coming in under this program? How would you get around that or how would you defend that to critics of the visa waiver?

Ms. TUTTLE. I know that concern has been brought up, but I think the positive effects that would result from the passage of this legislation indeed outweigh the other concerns and I think that is something we can monitor as we go along.

Senator PRESSLER. Your agency received a 50-percent increase in its appropriation for fiscal year 1984 after 2 months of the fiscal year had already elapsed. What programmatic priorities have you set for the use of this money?

Ms. TUTTLE. Since I have been with USTTA, for the last month, I have been meeting regularly with my staff on a daily basis on this exact subject. I have also been meeting with leaders from the industry and from the Marketing Plan Development Committee.

Some of the ideas that have been discussed and agreed upon are a concentrated cooperative advertising promotional program in our two major markets for 1984, which would be Japan and Germany, and expanding programs such as the trade seminars, travel missions, and the familiarization tours with the travel agents and journalists.

We will be expanding our po.. receptionist program at home. We will be looking into the development of a generic theme, the development of a promotional film of the United States, the updating and revising of our brochures, and expanding our marketing research capabilities.

Senator PRESSLER. Your agency estimated that handicapped Americans represented a potential $30 billion market for the tourism industry. At a House hearing last fall the USTTA was asked to submit recommendations for legislation that would promote universal accessibility in travel services.

What steps do you think should be taken to accommodate handicapped travelers?

Ms. TUTTLE. I have again met with several groups on the handicapped concerns in regards to travel and we intend to discuss that with the Tourism Policy Council. But we are also considering updating brouchures and developing needed information for use by the handicapped population to indeed show them that travel is accessible. And so we are working on that.

Senator PRESSLER. The 1985 budget request will be submitted shortly. Are you able to give the committee any knowledge of what the administration budget request will be for the USTTA for fiscal year 1985?

Ms. TUTTLE. That budget will be coming up, I understand, next week, and at this time I am not allowed to talk about it.

Senator PRESSLER. I guess OMB has that rule to all the agencies. Is that a rule?

Ms. TUTTLE. It is something they ask that we do not discuss before it comes up.

Senator PRESSLER. The committee developed and the Senate passed a resolution calling for a consolidation of Customs and Immigration inspection services to facilitate the free flow of foreign visitors to the United States. When I introduced the resolution I hoped for consolidation to be implemented in time for the upcoming World's Fair and Summer Olympics.

I understand that a consolidation plan has been approved by OMB in the Cabinet council. Do you know what the next step will

be toward adoption of the plan, and will you press for its implementation?

Ms. TUTTLE. I will strongly press for its implementation. I understand that it is beginning the initial process of implementation in some airports. We will be monitoring the transition, but it will be a top priority at this point, with the Olympics coming up.

But we are absolutely behind it and it has been discussed in our Tourism Policy Council also.

Senator PRESSLER. As the new Under Secretary for Travel and Tourism you will be called upon to work closely with Congress and with this committee and other committees. What legislative initiatives will you recommend that you feel can strengthen the U.S. travel and tourism industry?

Ms. TUTTLE. At this point my top priority has to be the legislation that you have previously mentioned, which is the visa waiver legislation. Again, we think that it would have the strongest facilitative effect on tourism.

There is another issue that is coming before us now, and that is the Canadian tax that has appeared on our literature inbound into Canada. And this has been brought up by the States. I have personally made a telephone call to my counterpart in Canada to urge that we have a face-to-face meeting to discuss this issue, in an attempt to resolve the problem and preclude legislative action.

Senator PRESSLER. As you know, the National Tourism Policy Act created a Tourism Policy Council to assure that the national interest in tourism is fully considered in Federal decisionmaking. You serve as Vice Chairman of the Council and chair meetings in the absence of the Secretary, who chairs the Council.

What activities of this Council do you feel have been most important during its 2-year existence and what issues do you expect to bring before the Council? Let me add to that.

I think in all of our councils and advisory groups there is a tendency to have big business and sometimes small business gets left out. What steps will you take to be sure that we include the smaller tourism people, the small business? And also there is kind of a tendency, kind of an east coast/west coast mentality that creeps into a lot of national tourism policy and we have many fine attractions in Wisconsin and South Dakota and other States.

What steps will you take to be sure that we do not have a California bias?

Ms. TUTTLE. First of all, I can guarantee that we will be discussing South Dakota and Wisconsin and Hawaii and Nevada; I have already made this a top priority with my staff, and I want to utilize the Policy Council as much as possible.

In the past they have been dealing with issues such as the visa legislation and all issues concerning the facilitation process, because indeed we are a service industry and this is an area which requires a great deal of attention. It has also been an area where we have been able to handle individual projects with which the States are concerned.

I want to make sure that this is an area where if a State does have a problem with tourism, we can handle it across the board with all agencies involved. And again the handicapped would be a perfect topic for this Council to handle.

Senator PRESSLER. Do you think that the Council has been productive? Does it have too much of a slant towards big business or have you got any feel for that yet?

Ms. TUTTLE. I have not picked up any slant toward big business. I am going to make sure that it is as productive as possible, and that is one reason why I have not jumped right into a meeting. I want to take the time to look over the issues and make sure that we get the right people involved and that we are discussing the right issues.

Senator PRESSLER. Some tourism leaders in my home State of South Dakota, where tourism is our second-largest industry, have suggested that we should set up regional USTTA offices in the United States. This would really focus on the needs of the small businesses in the tourism industry.

When one considers the fact that about 90 percent of all our incoming foreign tourism trade goes to a small handful of coastal States, this concept seems to have some merit. Do you think that it might be beneficial to set up a few regional offices around the United States similar to those under USTS for this purpose?

Ms. TUTTLE. In my discussions in a meeting with the State travel directors this same concern was brought up. We serve, as I said, in a catalystic role and we have a great deal of information available on the overseas markets that we need to get out to the States. The States have a great number of needs that should be addressed and we obviously need to be coordinating the development of a promotional program. I am very supportive of regionalism and of offering services on a regional basis.

I have been discussing this on a very informal basis right now with the director of the Foreign Aid Domestic Commercial Service, which I do know has facilities within the United States. We have talked about the program that we would be operating overseas. We have passed papers back and forth and plan to sit down and discuss how we can make their operation more useful to tourism-related issues, and I am very interested in the idea.

Senator PRESSLER. I imagine you are closely following the preparation of the industry generated international marketing plan for your agency. According to your knowledge of the plan, how would it improve and expand USTTA operations, assuming the required funds were appropriated?

Ms. TUTTLE. I am following the plan. Actually the last full plan that I had was late August and September, and they have had meetings since then. That plan was a very good outline of the marketing needs, the economic conditions overseas, the 5-year program and what markets to be in and what year.

I have discussed with the industry that I am very interested in getting to the programs that they would suggest. They have sent me some ideas for 1984 which I had stated earlier which we have agreed upon. I understand that they have one more project yet to complete and then in about another month the final stage of the plan will be completed and we are looking forward to receiving it.

Senator PRESSLER. I just have two more questions and then I am going to yield to my colleague and then I will have some more questions afterwards.

This marketing plan is being developed as a response to the long-standing OMB criticism that the USTTA has never had a comprehensive plan for utilizing its funds. Have you made any effort to determine whether OMB recognizes the value of this plan and whether OMB will support a larger USTTA budget after the marketing plan is completed?

Ms. TUTTLE. I think that OMB is very much aware of this marketing plan. I think they are very impressed by the cooperative effort that the industry has put in—the time, the money, the expertise. They have been asking for a display and show of a cooperative effort.

I intend to lobby on USTTA's programs because it is indeed a partnership that has been existing between USTTA and the industry. I think that when OMB sees the programs that will be coming out of the marketing plan and understands the cooperative effort, that it will influence the budget.

Senator PRESSLER. At several hearings last year I asked Secretary of State Shultz and then Under Secretary of Commerce McCoy if they would favor having the USTTA train one employee at each U.S. Embassy to promote travel to the United States. Both supported the idea, but no action has been taken. Would you actively support this program and how can we get it going?

Ms. TUTTLE. I would actively support this program. I have not had a chance to discuss this particular issue with the State Department, but it is an issue, as I said, that I have discussed within ITA. I know you suggested this earlier to USTTA and since then they have implemented seminars that our directors had been giving to the Foreign Commercial Service Officers.

We intend to look into the idea of providing them with our literature and giving them as much information as possible and working in a very close relationship.

Senator PRESSLER. The job you are going into is one that was not my idea originally, but Senator Inouye and many others had worked on it for a long time. I happened to be on the spot to sponsor the legislation when it finally passed.

But that office, in my judgment, has not yet come into its full flower, so to speak, because of changes in personnel. I know there is a proposal to move it over to the International Trade Department. If that happens, we hope it will be at a good level, but what we are trying to do with it is to raise the level of tourism in the Federal bureaucracy, and it will require great efforts on your part to really make that office into something and to make it what the intent of Congress was.

So you are going into a difficult area over there and I sincerely hope that you do succeed, and I am sure that you will. Do you have any ideas on initiatives that you plan to take in that area and then as we move toward this new International Trade Department, however that is standing, do you have any recommendations?

Of course you will develop them as you go, but how do you see your office developing—that is what my basic question is—and how are you going to develop it?

Ms. TUTTLE. I share your same concern and that is indeed one of my goals. I think by providing leadership and promotional skills and good management skills within the agency and a great deal of

positive energy that I will go out and promote the USTTA programs both within my own agency, within the administration, within OMB and the White House, up here on the Hill, and with the industry.

By promoting those programs I indeed intend to continue raising the perception of USTTA. In terms of the trade bill or legislation, I have been monitoring the reorganization and have spoken with the appropriate departments within Commerce, and I am told that USTTA will be left intact.

The industry has expressed concern about that, but it looks to be very good. I will monitor that as it goes along.

Senator PRESSLER. Senator Kasten.

Senator KASTEN. Thank you, Mr. Chairman.

I am pleased to join the committee in welcoming Ms. Tuttle and I appreciate your frank and candid responses to the chairman's questions. A couple of the questions are similar to ones that I have.

I think you are coming in a good year; 1984 is going to be a good year for a lot of reasons, but we just saw the Super Bowl, which I am told pumped something like $70 million into the economy in the Tampa Bay area. We have got the Los Angeles Olympics in a part of the country that you know a lot about. We have got New Orleans with the World's Fair. We will have San Francisco with the Democratic Convention, Dallas with the Republican Convention. I think it is going to be a good year with a lot of bright spots for tourism.

The goal of your office is to promote the United States to foreign travelers, and I was particularly interested in a part of your priorities when you said "working with the regions, States and local communities to develop viable tourism programs to attract international visitors."

I know, for example, in Wisconsin we have got a group. The bumper sticker says "Escape to Wisconsin," and we are trying to market them all around the midwest and other kinds of places. How do you plan on implementing your third priority here—"working with the regions, States, and local communities?"

Are you going to bring them in? Do you go out there? Do you get them together region by region, State by State, area by area, special kinds of vacation places? How are you going to do that?

Ms. TUTTLE. I am going to do it in several different ways. I have already spoken with several regional directors who are very interested in promoting and doing activities in the overseas markets, so they have already come into my Washington office, and knowing my interest in regionalism we are going to outline some projects and models that we think we can set up for those regions that they have either not set up themselves or do not know how to do it.

I am well aware of your region and the success that your region has. In fact, I talked with the State travel director from Ohio and she was very upset that she had not been included in your region and was trying to get into it as soon as possible.

I think by promoting the regions in terms of films, brochures and cooperative advertising programs in the overseas market, and by giving that kind of attention, it will encourage other States who have not joined in regions to do so. I will not force States. It will not come from Washington. I hope to encourage them and give at-

tention to those regions; I will encourage regional development through the States themselves.

Next week I go down to the South to meet with the southern region. So it is a give and take process. They are coming to Washington and I am going out to the different regions myself.

Senator KASTEN. One of the criticisms of your initial appointment came from some of the people that were in the industry, the industry groups, saying that you did not have much travel industry background. I was impressed with your management experience, with your political background, with your business experience and was impressed with your overall experience, and I think it can be useful in this area, and that is why I enthusiastically support your nomination.

But in terms of dealing with that initial criticism, what kinds of meetings have you had with people in the travel and tourism industry? What kind of relationship do you envision in the future?

Ms. TUTTLE. No. 1, I have tried to do as much studying on my own. I have gone back and read studies and hearings and tried to learn as much as possible about USTTA, the agency. I have then gone out and met with the industry on an individual basis, and this is not something that I did just as a start and not something I am going to stop. It is an ongoing process.

I have been continuing that and it will only be successful if I work cooperatively with the industry. So, I think I have already gone out and done that. I am obviously going to keep very close ties with the Hill. There have been staff people and Congressmen and Senators who have been with tourism for a long, long time and I plan to keep a close relationship with them.

Senator KASTEN. Well, I appreciate your answer to that question because I think it is important that we know that you are going to be working closely with the travel and tourism industry. Obviously you are their representative as well as the representative of those of us from the tourism States that are concerned. So I thank you for your answer to the questions.

Mr. Chairman, I am hopeful that the committee will take prompt action, that we can get this nomination on the floor. I think it has strong support and I thank you for giving me an opportunity to join you today.

Ms. TUTTLE. Thank you.

Senator PRESSLER. I guess the final question will be: In this business of tourism and travel most of the people who work in it are really small businessmen and part-time employees, sometimes, and the people who you will hear from most often and who I hear from most often are the big unions and big hotel chains and so forth. And we have to constantly work at getting down to the grassroots, so to speak.

What steps are you going to take to stay in touch with the grassroots of tourism?

Ms. TUTTLE. I think that probably the best way would be through the regions and the States and the cities. I have met with the convention bureaus and we are going to do a program with them. This represents an entirely different approach.

I think by having open communication between those representatives I can get as close as possible to the individual small businesses that are involved in tourism.

Senator PRESSLER. I have no further questions. I will leave the record open for today for additional questions. Does the minority have any additional questions?

Mr. HARDY. No, Senator, we do not.

Senator PRESSLER. OK. We can poll out this nomination as soon as possible, as soon as the staff can do it.

Mr. HARDY. Speaking for the minority, I have cleared it. They are ready to go.

Senator PRESSLER. OK, fine. We are ready to go. So with that I will conclude this hearing.

Ms. TUTTLE. Thank you very much.

[Whereupon, at 11:15 a.m., the committee adjourned, to reconvene upon the call of the Chair.]

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